

Bylaws
for
Global Federal Credit Union

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BYLAWS

Global Federal Credit Union, Charter No. 05913

(A corporation chartered under the laws of the United States)

Article I. Name - Purposes

Section 1. **Name.** The name of this credit union is as stated in Section 1 of the charter (approved organization certificate) of this credit union.

Section 2. **Purposes.** The purpose of this credit union is to promote thrift among its members by affording them an opportunity to accumulate their savings, and to create for them a source of credit for provident or productive purposes.

Article II. Qualifications for Membership

Section 1. **Field of membership.** The field of membership of this credit union is limited to that stated in Section 5 of its charter.

Section 2. **Membership application procedures.** Applications for membership from persons eligible for membership under Section 5 of the charter must be signed by the applicant on forms approved by the board. The applicant is admitted to membership after approval of an application by a majority of the directors, a majority of the members of a duly authorized executive committee, or by a membership officer, and after subscription to at least one share of this credit union and the payment of the initial installment, and the payment of a uniform entrance fee if required by the board. If a person whose membership application is denied makes a written request, the credit union must explain the reasons for the denial in writing.

Section 3. **Maintenance of membership share required.** A member who withdraws all shareholdings or fails to comply with the time requirements for restoring his or her account balance to par value in the time stated in Article III, Section 3, ceases to be a member. By resolution, the board may require persons readmitted to membership to pay another entrance fee.

Section 4. **Continuation of membership.** Once a person becomes a member that person may remain a member until the person or organization chooses to withdraw or is expelled in accordance with the Act and Article XIV of these bylaws. A member who is disruptive to credit union operations may be subject to limitations on services and access to credit union facilities.

Article III. Shares of Members

Section 1. **Par value.** The par value of each share will be \$5. Subscriptions to shares are payable at the time of subscription, or in installments of at least \$1 per month.

Section 2. **Cap on shares held by one person.** The board may establish, by resolution, the maximum amount of shares that any one member may hold.

Section 3. **Time periods for payment and maintenance of membership share.** A member who fails to complete payment of one share within six months of admission to membership, or within six months from the increase in the par value of shares, or a member who reduces the share balance below the par value of one share and does not increase the balance to at least the par value of one share within six months of the reduction will be terminated from membership.

Section 4. **Transferability.** Shares may only be transferred from one member to another by an instrument in a form as the board may prescribe. Shares that accrue credits for unpaid dividends retain those credits when transferred.

Section 5. **Withdrawals.** Money paid in on shares or installments of shares may be withdrawn as provided in these bylaws or regulation on any day when payment on shares may be made, provided, however, that –

- a. The board has the right, at any time, to require members to give up to 60 days written notice of intention to withdraw the whole or any part of the amounts paid in by them except for those amounts paid into share draft accounts.
- b. Reserved.
- c. No member may withdraw any shareholdings below the amount of his/her primary or contingent liability to the credit union if he/she is delinquent as a borrower, or if borrowers for whom he/she is comaker, endorser, or guarantor are delinquent, without the written approval of the credit committee or loan officer; except that shares issued in an irrevocable trust as provided in Section 6 of this article are not subject to restrictions upon withdrawal except as stated in the trust agreement.
- d. The share account of a deceased member (other than one held in joint tenancy with another member) may be continued until the close of the dividend period in which the administration of the deceased's estate is completed.

Section 6. **Trusts.** Shares may be issued in a revocable or irrevocable trust, subject to the following:

When shares are issued in a revocable trust, the settlor must be a member of this credit union in his or her own right. When shares are issued in an irrevocable trust, either the settlor or the beneficiary must be a member of this credit union. The name of the beneficiary must be stated in both a revocable and irrevocable trust. For purposes of this section, shares issued pursuant to a pension plan authorized by the rules and regulations will be treated as an irrevocable trust unless otherwise indicated in the rules and regulations.

Section 7. **Joint accounts and membership requirements - Separate account required to establish membership.** Each member must purchase and maintain at least one share in a share account that names the member as the sole or primary owner. Being named as a joint owner of a joint account is insufficient to establish membership.

Article IV. Meetings of Members

Section 1. **Annual meeting.** The annual meeting of the members shall be held within the period authorized in the Act, in the county in which any office of the credit union is located or within a radius of 100 miles of such office, at such time and place as the board determines and announces in the notice thereof.

Section 2. Notice of meetings required.

a. At least 75 days before the date of any annual meeting or at least seven days before the date of any special meeting of the members, the secretary shall cause written notice thereof to be handed to each member in person, or mailed to each member at his address as the same appears on the records of this credit union. Any meeting of the members, whether annual or special, may be held without prior notice, at any place or time, if all the members entitled to vote thereat who are not present at such meeting shall in writing waive notice thereof, before, during, or after the meeting.

b. Notice of any special meeting must state the purpose for which it is to be held, and no business other than that related to this purpose may be transacted at the meeting.

Section 3. Special meetings.

a. Special meetings of the members may be called by the chair or the board of directors upon a majority vote, or by the supervisory committee as provided in these bylaws. The chair must call a special meeting, meaning the meeting must be held, within 45 days of the receipt of a written request of 25 members or 5% of the members as of the date of the request, whichever number is larger. However, a request of no more than 5,000 members may be required to call a special meeting.

b. The notice of a special meeting must be given as provided in Section 2 of this article. Special meetings may be held at any location permitted for the annual meeting.

c. In addition to the above requirements for a written request, such a request shall name the members of a five-member committee appointed by the petitioners to act for the petitioners in a manner which will be binding on said petitioners. The chairman shall arrange for the board to meet with the above committee within ten days after receipt of the request; and thereafter the board and the committee shall meet as necessary to resolve any problem or issues raised in the petition. If agreement for settlement on any of said problems or issues cannot be reached, a special meeting of the members shall be called by the chairman, in accordance with the provisions of these bylaws, within 45 days of the date of the last meeting between the board and the petitions' five-member committee.

Section 4. Items of business for annual meeting and rules of order for annual and special meetings. The suggested order of business at annual meetings of members is –

a. Ascertainment that a quorum is present.

b. Reading and approval or correction of the minutes of the last meeting.

- c. Report of directors, if there is one. For credit unions participating in the Community Development Revolving Loan Program, the directors must report on the credit union's progress on providing needed community services, if required by NCUA Regulations.
- d. Report of the financial officer or the chief management official.
- e. Report of the credit committee, if there is one.
- f. Report of the supervisory committee, as required by Section 115 of the Act.
- g. Unfinished business.
- h. New business other than elections.
- i. Elections, as required by Section 111 of the Act.
- j. Adjournment.

To the extent consistent with these bylaws, all meetings of the members will be conducted according to *Robert's Rules of Order*. The order of business for the annual meeting may vary from the suggested order, provided it includes all required items and complies with the rules of procedure adopted by the credit union.

Section 5. **Quorum.** Except as otherwise provided, 15 members constitute a quorum at annual or special meetings. If no quorum is present, an adjournment may be taken to a date at least seven, but not more than 14 days thereafter. The members present at any adjourned meeting will constitute a quorum, regardless of the number of members present. The same notice must be given for the adjourned meeting as is prescribed in Section 2 of this article for the original meeting, except that the notice must be given at least five days before the date of the meeting as fixed in the adjournment.

Section 6. **Emergency exception to in-person quorum requirement.** This credit union may hold its annual meeting of the members, and special member meetings for authorized purposes other than member expulsion under Article XIV of these bylaws, virtually¹ and without an in-person quorum if all of the following conditions apply and are certified in meeting minutes by a resolution of the majority of a quorum of the board of directors:

- a. At least one of the following is located in an area where a federal, state, or local authority has declared a state of emergency or major disaster:
 - 1. all or part of a community the credit union serves; or
 - 2. the credit union's headquarters.

¹ Options include webcasts, teleconferences, virtual meeting rooms or similar means that permit members to listen, vote as necessary, and participate.

- b. The credit union has the technological capacity to facilitate virtual meeting attendance, voting, and participation.
- c. Members receive at least seven days' advance notice of the change to a virtual meeting format and appropriate instructions for how to join, participate, and vote during the virtual meeting.
- d. The NCUA has issued general or specific guidance notifying the credit union that it is appropriate to invoke this bylaw provision.

Article V. Elections

Section 1. **Nomination procedures.** At least 120 days prior to each annual meeting the chairman shall appoint a nominating committee of not fewer than three members. It shall be the duty of the nominating committee to nominate at least one member for each vacancy, including any unexpired term vacancy, for which elections are being held, and to determine that the members nominated are agreeable to the placing of their names in nomination and will accept office if elected. The nominating committee shall file its nominations with the secretary of the credit union at least 90 days prior to the annual meeting, and the secretary shall notify in writing all members eligible to vote at least 75 days prior to the annual meeting that nominations for vacancies may also be made by petition signed by one percent of the members with a minimum of 20 and a maximum of 500. The written notice shall indicate that the election will not be conducted by mail ballot and there will be no nominations from the floor when there is only one nominee for each position to be filled. A brief statement of qualifications and biographical data in such form as shall be approved by the board of directors will be included for each nominee submitted by the nominating committee with the written notice to all eligible members. Each nominee by petition shall submit a similar statement of qualifications and biographical data with the petition. The written notice shall state the closing date for receiving nominations by petition. The written notice shall also include the date and time of the annual meeting. The period for receiving nominations by petition shall, in all cases, extend at least 30 days from the date the petition requirement and the list of nominating committee's nominees are mailed to all members. To be effective such nominations shall be accompanied by a signed certificate from the nominee or nominees stating that they are agreeable to nomination and will serve if elected to office. Such nominations shall be filed with the secretary of the credit union at least 40 days prior to the annual meeting and the secretary shall cause such nominations along with those of the nominating committee to be posted in a conspicuous place in each credit union office at least 35 days prior to the annual meeting.

Section 2. **Election procedures.** All elections shall be determined by plurality vote and shall be by mail ballot except where there is only one nominee for each position to be filled. Nominations shall not be made from the floor unless sufficient nominations have not been made by the nominating committee or by petition to provide for one nominee for each position to be filled or circumstances prevent the candidacy of the one nominee for a position to be filled. Only those positions without a nominee shall be subject to nominations from the floor. In the event nominations from the floor, when permitted herein, result in more than one nominee for a position to be filled, and when nominations have been closed, tellers shall be

appointed by the chairman, ballots shall be distributed, the vote shall be taken and tallied by the tellers, and the results announced. When only one member is nominated for each position to be filled, the chair may take a voice vote or declare each nominee elected by general consent or acclamation at the annual meeting.

Section 3. **Order of Nominations.** Nominations shall be in the following order: Nominations for directors.

Section 4. **Proxy and agent voting.** No member shall be entitled to vote by proxy, but a member other than a natural person may vote through an agent designated in writing for the purpose. A trustee, or other person acting in a representative capacity, shall not, as such, be entitled to vote.

Section 5. **One vote per member.** Irrespective of the number of shares held by him, no member shall have more than one vote.

Section 6. **Submission of information regarding credit union officials to NCUA.** The names and addresses of members of the board, executive officers, executive committee, and members of the credit and supervisory committees shall be forwarded to the Administration in accordance with the Act and regulations in such manner as may be required by said Administration.

Section 7. **Minimum age requirement.** The board may establish by resolution a minimum age, not greater than 16 years of age, as a qualification for eligibility to vote at meetings of the members, or to hold elective or appointive office, or both.

Section 8. **Balloting procedures.** Except as provided in Section 2 of this Article, all elections shall be by mail ballot, subject to the following conditions –

- a. The tellers of election shall be appointed by the board of directors.
- b. Sufficient nominations having been made by the nominating committee or by petition to provide more than one nominee for any position to be filled, the secretary shall, at least 30 days prior to the annual meeting, cause printed ballots to be mailed to all members eligible to vote.
- c. The secretary shall cause the following materials to be mailed to each eligible voter:
 1. One ballot, clearly identified as such, on which the names of the candidates for the board of directors and the candidates for other separately identified offices or committees shall have been printed in order as determined by the draw of lots. The name of each candidate shall be followed by a brief statement of qualifications and biographical data in such form as shall be approved by the board of directors.
 2. One envelope clearly marked with instructions that the completed ballot shall be placed therein and the envelope sealed.
 3. One identification form to be completed so as to include the name, address, signature and credit union account number of the voter.

4. One mailing envelope in which the voter, pursuant to instructions provided, shall insert the sealed ballot envelope and the identification form, and which shall have been postage prepaid and pre-addressed for return to tellers of election.
5. When properly designed, one form can be printed that represents a combined ballot/identification form, and postage prepaid and pre-addressed return envelope.
- d. It shall be the duty of the tellers of election to verify, or cause to be verified, the name of the voter and his credit union account number as appearing on the identification form; to place the verified identification form and the sealed ballot envelope in separate places of safekeeping pending the count of the vote; in the case of a questionable or challenged form, to retain the identification form and the sealed ballot envelope together until the verification or challenge has been resolved.
- e. Ballots mailed to the tellers of election must be received by the tellers no later than midnight five days prior to the date of the annual meeting.
- f. Voting shall be closed at the midnight deadline specified in subsection e. hereof and the vote shall be tallied by the tellers of election. The result shall be verified at the annual meeting and the chairman shall make public the result of the vote of the annual meeting.

Article VI. Board of Directors

Section 1. **Number of members.** The board consists of seven members, all of whom must be members of this credit union. The number of directors may be changed to an odd number no fewer than five nor more than 15 by resolution of the board. No reduction in the number of directors may be made unless corresponding vacancies exist as a result of deaths, resignations, expiration of terms of office, or other actions provided by these bylaws. A copy of the resolution of the board covering any increase or decrease in the number of directors must be filed with the official copy of the bylaws of this credit union.

Section 2. **Reserved.**

Section 3. **Terms of office.** Regular terms of office for directors must be for periods of either two or three years as the board determines. All regular terms must be for the same number of years and until the election and qualification of successors. Regular terms must be fixed at the first meeting, or upon any increase or decrease in the number of directors, so that approximately an equal number of regular terms must expire at each annual meeting.

Section 4. **Vacancies.** Any vacancy on the board, credit committee, if applicable, or supervisory committee will be filled as soon as possible by vote of a majority of the directors then holding office. If all director positions become vacant simultaneously, the supervisory committee immediately becomes the temporary board of directors and must follow the procedures in Article IX, Section 3. Directors and credit committee members appointed to fill a vacancy will hold office only until the next annual meeting, at which any unexpired terms will be filled by vote of the members, and until the qualification of their successors. Members of the supervisory committee appointed to fill a vacancy will hold office until the first regular

meeting of the board following the next annual meeting of members, at which the regular term expires, and until the appointment and qualification of their successors.

Section 5. **Regular and special meetings.** A regular meeting of the board must be held each month at the time and place fixed by resolution of the board. One regular meeting each calendar year must be conducted in person. If a quorum is present in person for the annual in person meeting, the remaining board members may participate using audio or video teleconference methods. The other regular meetings may be conducted using audio or video teleconference methods. The chair, or in the chair's absence the ranking vice chair, may call a special meeting of the board at any time and must do so upon written request of a majority of the directors then holding office. Unless the board prescribes otherwise, the chair, or in the chair's absence the ranking vice chair, will fix the time and place of special meetings. Notice of all meetings will be given in the manner the board may from time to time by resolution prescribe. Special meetings may be conducted using audio or video teleconference methods.

Section 6. **Board responsibilities.** The board has the general direction and control of the affairs of this credit union and is responsible for performing all the duties customarily performed by boards of directors. This includes but is not limited to the following:

- a. Directing the affairs of the credit union in accordance with the Act, these bylaws, the rules and regulations and sound business practices.
- b. Establishing programs to achieve the purposes of this credit union as stated in Article I, Section 2, of these bylaws.
- c. Establishing a loan collection program and authorizing the charge-off of uncollectible loans.
- d. Establishing a policy to address training for newly elected and incumbent directors and volunteer officials, in areas such as ethics and fiduciary responsibility, regulatory compliance, and accounting and determining that all persons appointed or elected by this credit union to any position requiring the receipt, payment or custody of money or other property of this credit union, or in its custody or control as collateral or otherwise, are properly bonded in accordance with the Act and regulations.
- e. Performing additional acts and exercising additional powers as may be required or authorized by applicable law.
- f. Reviewing denied loan applications of members who file written requests for review.
- g. Appointing one or more loan officers and delegating to those officers the power to approve or disapprove loans, lines of credit or advances from lines of credit.
- h. In its discretion, appointing a loan review committee to review loan denials and delegating to the committee the power to overturn denials of loan applications. The committee will function as a mid-level appeal committee for the board. Any denial of a loan by the committee must be reviewed by the board upon written request of the member. The committee must consist of three members and the regular term

of office of the committee member will be for two years. Not more than one member of the committee may be appointed as a loan officer.

Section 7. **Quorum.** A majority of the number of directors, including any vacant positions, constitutes a quorum for the transaction of business at any meeting, except that vacancies may be filled by a quorum consisting of a majority of the directors holding office as provided in Section 4 of this article. Fewer than a quorum may adjourn from time to time until a quorum is in attendance.

Section 8. **Attendance and removal.**

a. If a director or a credit committee member, if applicable, fails to attend regular meetings of the board or credit committee, respectively, for three consecutive months, or four meetings within a calendar year, or otherwise fails to perform any of the duties as a director or a credit committee member, the office may be declared vacant by the board and the vacancy filled as provided in the bylaws.

b. The board may remove any board officer from office for failure to perform the duties thereof, after giving the officer reasonable notice and opportunity to be heard.

c. When any board officer, membership officer, executive committee member or investment committee member is absent, disqualified, or otherwise unable to perform the duties of the office, the board may by resolution designate another member of this credit union to fill the position temporarily. The board may also, by resolution, designate another member or members of this credit union to act on the credit committee, if applicable, when necessary in order to obtain a quorum.

Section 9. **Suspension of supervisory committee members.** Any member of the supervisory committee may be suspended by a majority vote of the board of directors. The members of this credit union will decide, at a special meeting held no fewer than seven nor more than 14 days after any suspension, whether the suspended committee member will be removed from or restored to the supervisory committee.

Section 10. **Director Emeritus.** The board of directors may appoint any former director who served on the board at least 15 years as “Director Emeritus.” The board may substitute suitable volunteer service time for some of the board service time provided the candidate has served at least seven years on the board. The individuals appointed directors emeritus function as an advisory committee to the board of directors. Terms for directors emeritus are three years. The board may increase or decrease the number of directors emeritus, or shorten or extend any director emeritus’s term, by resolution. Unless separately elected or appointed, directors emeritus are not members of any other committee of the credit union. Directors emeritus are not a member or officer of the board of directors; they may not vote on any matter before the board or any other committee of the credit union; they may not receive any compensation from the credit union; and they are not required to attend any meetings or authorized to perform any duties other than providing advice to the credit union’s board, staff and other committees as needed.

Article VII. Board Officers, Management Officials and Executive Committee

Section 1. **Board officers.** The board officers of this credit union are comprised of a chair, one or more vice chairs, a financial officer, and a secretary, all of whom are elected by the board and from their number. The board determines the title and rank of each board officer and records them in the addendum to this article. One board officer, the treasurer, may be compensated for services as determined by the board. If more than one vice chair is elected, the board determines their rank as first vice chair, second vice chair, and so on. The offices of the financial officer and secretary may be held by the same person. If a management official or assistant management official is permitted to serve on the board, he or she may not serve as the chair. Unless removed as provided in these bylaws, the board officers elected at the first meeting of the board hold office until the first meeting of the board following the first annual meeting of the members and until the election and qualification of their respective successors.

Section 2. **Election and term of office.** Board officers elected at the meeting of the board next following the annual meeting of the members, which must be held not later than seven days after the annual meeting, hold office for a term of one year and until the election and qualification of their respective successors: provided, however, that any person elected to fill a vacancy caused by the death, resignation, or removal of an officer is elected by the board to serve only for the unexpired term of that officer and until a successor is duly elected and qualified.

Section 3. **Duties of Chair.** The chair presides at all meetings of the members and at all meetings of the board, unless disqualified through suspension by the supervisory committee. The chair also performs other duties customarily assigned to the office of the chair or duties he or she is directed to perform by resolution of the board not inconsistent with the Act and regulations and these bylaws.

Section 4. **Approval required.** The board must approve all individuals who are authorized to sign all notes of this credit union and all checks, drafts and other orders for disbursement of credit union funds.

Section 5. **Vice chair.** The ranking vice chair has and may exercise all the powers, authority, and duties of the chair during the chair's absence or inability to act.

Section 6. **Duties of financial officer.** The financial officer manages this credit union under the control and direction of the board unless the board has appointed a management official to act as president. Subject to limitations, controls and delegations the board may impose, the financial officer will:

- a. Have custody of all funds, securities, valuable papers and other assets of this credit union.
- b. Provide and maintain full and complete records of all the assets and liabilities of this credit union in accordance with forms and procedures prescribed in regulations and other guidance approved by the Administration, including, for small credit unions, the Accounting Manual for Federal Credit Unions.
- c. Within 20 days after the close of each month, ensure that a financial statement showing the condition of this credit union as of the end of the month, including a summary of delinquent loans is prepared and

submitted to the board and post a copy of the statement in a conspicuous place in the office of the credit union where it will remain until replaced by the financial statement for the next succeeding month.

- d. Ensure that financial and other reports the Administration may require are prepared and sent.
- e. Within standards and limitations prescribed by the board, employ tellers, clerks, bookkeepers, and other office employees, and have the power to remove these employees.
- f. Perform other duties customarily assigned to the office of the financial officer or duties he or she is directed to perform by resolution of the board not inconsistent with the Act, regulations and these bylaws.

The board may employ one or more assistant financial officers, none of whom may also hold office as chair or vice chair, and may authorize them, under the direction of the financial officer, to perform any of the duties devolving on the financial officer, including the signing of checks. When designated by the board, any assistant financial officer may also act as financial officer during the financial officer's temporary absence or temporary inability to act.

Section 7. Duties of management official and assistant management official. The board may appoint a management official who shall not be a member of the board and who shall be under the direction and control of the board or of the financial officer as determined by the board. The management official may be assigned any or all of the responsibilities of the financial officer described in Section 6 of this article. The board shall determine the title and rank of each management official and shall record them in the addendum to this article.

The board may employ one or more assistant management officials, none of whom shall be a member of the board. The board may authorize assistant management officials under the direction of the management official, to perform any of the duties devolving on the management official, including the signing of checks. When designated by the board, any assistant management official may also act as management official during the temporary absence of the management official or in the event of his temporary inability to act.

Section 8. Board powers and limitations regarding employees. The board employs, fixes the compensation, and prescribes the duties of employees as necessary, and has the power to remove employees, unless it has delegated these powers to the financial officer or management official. Neither the board, the financial officer, nor the management official has the power or duty to employ, prescribe the duties of, or remove necessary clerical and auditing assistance employed or used by the supervisory committee and, if there is a credit committee, the power or duty to employ, prescribe the duties of, or remove any loan officer appointed by the credit committee, *provided, however*, that no director or committee member may be a paid employee of this credit union for a minimum of two years from the date the official terminates his/her position as a director or committee member unless the employee position to be filled exists as the result of a death or disability.

Section 9. **Duties of secretary.** The secretary prepares and maintains full and correct records of all meetings of the members and of the board, which records will be prepared within seven days after the respective meetings. The secretary must promptly inform the Administration in writing of any change in the address of the office of this credit union or the location of its principal records. The secretary will give or cause to be given, in the manner prescribed in these bylaws, proper notice of all meetings of the members, and perform other duties he or she may be directed to perform by resolution of the board not inconsistent with the Act, regulations and these bylaws. The board may employ one or more assistant secretaries, none of whom may also hold office as chair, vice chair, or financial officer, and may authorize them under direction of the secretary to perform any of the duties assigned to the secretary.

Section 10. **Executive committee.** As authorized by the Act, the board may appoint an executive committee of not fewer than three directors to serve at its pleasure, to act for it with respect to the board's specifically delegated functions. When making delegations to the executive committee, the board must be specific with regard to the committee's authority and limitations related to the particular delegation. The board may also authorize any of the following to approve membership applications under conditions the board and these bylaws may prescribe: an executive committee; a membership officer(s) appointed by the board from the membership, other than a board member paid as an officer; the financial officer; any assistant to the paid officer of the board or to the financial officer; or any loan officer. No executive committee member or membership officer may be compensated as such.

Section 11. **Reserved.**

Addendum: The board must list the positions of the board officers and management officials of this credit union. They are as follows:

- a. The executive officer is to have the title of Chairman.
- b. The ranking assistant executive officer is to have the title of First Vice Chairman.
- c. The additional assistant executive officer is to have the title of Second Vice Chairman.
- d. The financial officer is to have the title of Treasurer.
- e. The assistant financial officer is to have the title of Assistant Treasurer.
- f. The recording officer is to have the title of Secretary.
- g. The assistant recording officer is to have the title of Assistant Secretary.
- h. The management official is to have the title of President.
- i. The assistant management official is to have the title of Executive Vice President.

Article VIII. Loan Officers (No Credit Committee)

Section 1. **Records of loan officer; prohibition on loan officer disbursing funds.** Each loan officer must maintain a record of each approved or not approved transaction within seven days of the filing of the application or request, and that record becomes a part of the records of the credit union. No individual may disburse funds of this credit union for any application or share withdrawal which the individual has approved as a loan officer.

Section 2. **Duties of loan officer.** For each loan or line of credit, the loan officer must inquire into the character and financial condition of the applicant and the applicant's sureties, if any, to ascertain their ability to repay fully and promptly the obligations incurred by them and to determine whether the loan or line of credit will be of probable benefit to the borrower. The loan officers should endeavor diligently to assist applicants in solving their financial problems.

Section 3. **Unapproved loans prohibited.** No loan or line of credit may be made unless approved by a loan officer in accordance with applicable law and regulations.

Section 4. **Lending procedures.** Subject to the limits imposed by law and regulations, these bylaws, and the general policies of the board, a loan officer determines the security if any required for each application and the terms of repayment. The security furnished must be adequate in quality and character and consistent with sound lending practices. When funds are not available to make all the loans and lines of credit for which there are applications, preference should be given, in all cases, to the applications for lesser amounts if the need and credit factors are nearly equal.

Article IX. Supervisory Committee

Section 1. **Appointment and membership.** The supervisory committee is appointed by the board from among the members of this credit union, one of whom may be a director other than the financial officer or the compensated officer of the board. The board determines the number of members on the committee, which may not be fewer than three nor more than five. No member of the credit committee, if applicable, or any employee of this credit union may be appointed to the committee. Regular terms of committee members are for periods of one, two, or three years as the board determines; provided, however, that all regular terms are for the same number of years and until the appointment and qualification of successors. The regular terms are fixed at the beginning, or upon any increase or decrease in the number of committee members, so that approximately an equal number of regular terms expire at each annual meeting.

Section 2. **Officers of supervisory committee.** The supervisory committee members choose from among their number a chair and a secretary. The secretary of the supervisory committee prepares, maintains, and has custody of full and correct records of all actions taken by it. The offices of chair and secretary may be held by the same person.

Section 3. Duties of supervisory committee.

a. The supervisory committee makes, or causes to be made, the audits, and prepares and submits the written reports required by the Act and regulations. The committee may employ and use clerical and auditing assistance required to carry out its responsibilities prescribed by this article, and may request the board to provide compensation for this assistance. It will prepare and forward to the Administration required reports.

b. If all director positions become vacant simultaneously, the supervisory committee immediately assumes the role of the board of directors. The supervisory committee acting as the board must generally call and hold a special meeting to elect a board that will serve until the next annual meeting. The special meeting must occur at least seven but no more than 14 days after all director positions became vacant, and candidates for the board at the special meeting may be nominated by petition or from the floor. However, if the next annual meeting has been scheduled and will occur within 45 days after all the director positions become vacant, the supervisory committee may decide to forego the special meeting and continue serving as the board until the election of new directors at the annual meeting.

c. If the next annual meeting has not been scheduled, but the month and day of the previous year's meeting plus seven days falls within 45 days after all the director positions become vacant, the supervisory committee acting as the board may decide to forego the special meeting to elect new directors. In this case, the supervisory committee must schedule the annual meeting within seven days before or after the month and day of the previous annual meeting and continue to serve as the board until directors are elected at the annual meeting.

d. The supervisory committee acting as the board may not act on policy matters. However, directors elected at a special meeting have the same powers as directors elected at the annual meeting.

Section 4. Verification of accounts. The supervisory committee will cause the verification of the accounts of members with the records of the financial officer from time to time and not less frequently than as required by the Act and regulations. The committee must maintain a record of this verification.

Section 5. Powers of supervisory committee – removal of directors and credit committee members. By unanimous vote, the supervisory committee may suspend until the next meeting of the members any director, board officer, or member of the credit committee. In the event of any suspension, the supervisory committee must call a special meeting of the members to act on the suspension, which meeting must be held no fewer than seven nor more than 14 days after the suspension. The chair of the committee acts as chair of the meeting unless the members select another person to act as chair.

Section 6. Powers of supervisory committee – special meetings. By the affirmative vote of a majority of its members, the supervisory committee may call a special meeting of the members to consider any violation of the provisions of the Act, the regulations, or of the charter or the bylaws of this credit union, or to consider any practice of this credit union which the committee deems to be unsafe or unauthorized.

Article X. Organization Meeting

Section 1. **Initial meeting.** When application is made for a federal credit union charter, the subscribers to the organization certificate must meet for the purpose of electing a board of directors and a credit committee, if applicable. Failure to commence operations within 60 days following receipt of the approved organization certificate is cause for revocation of the charter unless a request for an extension of time has been submitted to and approved by the Regional Director.

Section 2. **Election of directors and credit committee.** The subscribers elect a chair and a secretary for the meeting. The subscribers then elect from their number, or from those eligible to become members of this credit union, a board of directors and a credit committee, if applicable, all to hold office until the first annual meeting of the members and until the election and qualification of their respective successors. If not already a member, every person elected under this section or appointed under Section 3 of this article, must qualify within 30 days by becoming a member. If any person elected as a director or committee member or appointed as a supervisory committee member does not qualify as a member within 30 days of election or appointment, the office will automatically become vacant and be filled by the board.

Section 3. **Election of board officers.** Promptly following the elections held under the provisions of Section 2 of this article, the board must meet and elect the board officers who will hold office until the first meeting of the board of directors following the first annual meeting of the members and until the election and qualification of their respective successors. The board also appoints a supervisory committee at this meeting as provided in Article IX, Section 1, of these bylaws and a credit committee, if applicable. The members so appointed hold office until the first regular meeting of the board following the first annual meeting of the members and until the appointment and qualification of their respective successors.

Article XI. Loans and Lines of Credit to Members

Section 1. **Loan purposes.** Loans may only be made to members and for provident, business or productive purposes in accordance with applicable law and regulations.

Section 2. **Delinquency.** Any member whose loan is delinquent may be required to pay a late charge as determined by the board of directors.

Article XII. Dividends

Section 1. **Power of board to declare dividends.** The board establishes dividend periods and declares dividends as permitted by the Act and applicable regulations.

Article XIII. Reserved

Article XIV. Expulsion and Withdrawal

Section 1. **Expulsion procedure; expulsion or withdrawal does not affect members' liability or shares.** A member may be expelled by a two-thirds vote of the members present at special meeting

called for that purpose, but only after the member has been given the opportunity to be heard. A member also may be expelled under a nonparticipation policy adopted by the board of directors and provided to each member in accordance with the Act. Expulsion or withdrawal will not operate to relieve a member of any liability to this credit union. All amounts paid in on shares by expelled or withdrawing members, before their expulsion or withdrawal, will be paid to them in the order of their withdrawal or expulsion, but only as funds become available and only after deducting any amounts due to this credit union.

Article XV. Minors

Section 1. **Minors permitted to own shares.** Shares may be issued in the name of a minor. State law governs the rights of minors to transact business with this credit union.

Article XVI. General

Section 1. **Compliance with law and regulation.** All power, authority, duties, and functions of the members, directors, officers, and employees of this credit union, pursuant to the provisions of these bylaws, must be exercised in strict conformity with the provisions of applicable law and regulations, and of the charter and the bylaws of this credit union.

Section 2. **Confidentiality.** The officers, directors, members of committees and employees of this credit union must hold in confidence all transactions of this credit union with its members and all information respecting their personal affairs, except when permitted by state or federal law.

Section 3. **Removal of directors and committee members.** Notwithstanding any other provisions in these bylaws, any director or committee member of this credit union may be removed from office by the affirmative vote of a majority of the members present at a special meeting called for the purpose, but only after an opportunity has been given to be heard. If member votes at a special meeting result in the removal of all directors, the supervisory committee immediately becomes the temporary board of directors and must follow the procedures in Article IX, Section 3.

Section 4. **Conflicts of interest prohibited.** No director, committee member, officer, agent, or employee of this credit union may participate in any manner, directly or indirectly, in the deliberation upon or the determination of any question affecting his or her pecuniary or personal interest or the pecuniary interest of any corporation, partnership, or association (other than this credit union) in which he or she is directly or indirectly interested. In the event of the disqualification of any director respecting any matter presented to the board for deliberation or determination, that director must withdraw from the deliberation or determination; and if the remaining qualified directors present at the meeting plus the disqualified director or directors constitute a quorum, the remaining qualified directors may exercise with respect to this matter, by majority vote, all the powers of the board. In the event of the disqualification of any member of the credit committee, if applicable, or the supervisory committee, that committee member must withdraw from the deliberation or determination.

Section 5. **Records.** Copies of the organization certificate of this credit union, its bylaws and any amendments to the bylaws, and any special authorizations by the Administration must be preserved in a place of safekeeping. Copies of the organization certificate and field of membership amendments should be attached as an appendix to these bylaws. Returns of nominations and elections and proceedings of all regular and special meetings of the members and directors must be recorded in the minute books of this credit union. The minutes of the meetings of the members, the board, and the committees must be signed by their respective chairmen or presiding officers and by the persons who serve as secretaries of those meetings.

Section 6. **Availability of credit union records.** All books of account and other records of this credit union must be available at all times to the directors and committee members of this credit union provided they have a proper purpose for obtaining the records. The charter and bylaws of this credit union must be made available for inspection by any member and, if the member requests a copy, it will be provided for a reasonable fee.

Section 7. **Member contact information.** Members must keep the credit union informed of their current address.

Section 8. **Indemnification.**

a. The credit union may elect to indemnify to the extent authorized by the Model Business Corporation Act the following individuals from any liability asserted against them and expenses reasonably incurred by them in connection with judicial or administrative proceedings to which they are or may become parties by reason of the performance of their official duties: Current officials, former officials, current employees, and former employees.

b. The credit union may purchase and maintain insurance on behalf of the individuals indicated in (a) above against any liability asserted against them and expenses reasonably incurred by them in their official capacities and arising out of the performance of their official duties to the extent such insurance is permitted by the applicable state law or the Model Business Corporation Act.

c. The term “official” in this bylaw means a person who is a member of the board of directors, credit committee, supervisory committee, other volunteer committee (including elected or appointed loan officers or membership officers), established by the board of directors.

Article XVII. Amendments of Bylaws and Charter

Section 1. **Amendment procedures.** Amendments of these bylaws may be adopted and amendments of the charter requested by the affirmative vote of two-thirds of the authorized number of members of the board at any duly held meeting of the board if the members of the board have been given prior written notice of the meeting and the notice has contained a copy of the proposed amendment or amendments. No amendment of these bylaws or of the charter may become effective, however, until approved in writing by the NCUA Board.

Article XVIII. Definitions

Section 1. **General definitions.** When used in these bylaws, the terms:

“Act” means the Federal Credit Union Act, as amended.

“Administration” means the National Credit Union Administration.

“Applicable law and regulations” means the Federal Credit Union Act and rules and regulations issued thereunder or other applicable federal and state statutes and rules and regulations issued thereunder as the context indicates (such as The Higher Education Act of 1965).

“Board” means board of directors of the federal credit union.

“Immediate family member” means spouse, child, sibling, parent, grandparent, grandchild, stepparents, stepchildren, stepsiblings, and adoptive relationships.

“NCUA Board” means the Board of the National Credit Union Administration.

“Regulation” or “regulations” means rules and regulations issued by the NCUA Board.

“Share” or “shares” means all classes of shares and share certificates that may be held in accordance with applicable law and regulations.

Section 2. **Field of Membership Definitions.** If included in the definition of the field of membership in the organization certificate (charter) of this credit union, the terms or expressions:

a. “*Members of their immediate families*” includes any person who has a relationship described herein with a person who is within the specified field of membership or with a credit union member who is or was within the specified field of membership of this credit union: any relative by blood or marriage; foster and adopted children; any person with whom a guardianship or other custodial relationship has been established by a court of competent jurisdiction; and any person who shares a household under cohabitation arrangements.

b. “*Organizations of such persons*” means an organization or organizations composed exclusively of persons who are within the field of membership of this credit union.